

REMARKS

This application has been reviewed in light of the Office Action dated December 11, 2006. Claims 1, 4-59, 61-82, 93, 94 and 98-101 are presented for examination. Claims 2, 3, 60, 83-92, 95-97, 102 and 103 have been canceled without prejudice or disclaimer of subject matter. Claims 1, 7, 13, 14, 16, 18, 55 and 65 have been amended to define more clearly what Applicant regards as his invention. Claims 1, 55 and 65 are in independent form. Favorable reconsideration is requested.

Claims 83-92, 102 and 103 were rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter. Cancellation of those claims makes this rejection moot.

Claims 95-97 were rejected under 35 U.S.C. § 112, second paragraph as being indefinite. Cancellation of Claims 95-97 makes this rejection moot.

Claims 1, 2, 4, 6, 8, 14, 15, 21, 22, 55, 56, 58, 63-65, 67, 69, 71, 75, 81-84, 86, 88, 91 and 92 were rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6,694,355 (*Bahar*). Claims 3, 7, 9-11, 16-20, 59-62, 66, 70-73, 76-80, 87, 89 and 90 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Bahar* in view of the article “Defense Taps 2 Finalists for Jet Contract; Military: Boeing and Lockheed Martin will build prototype of fighter”, Robert A Rosenblatt, et al. Los Angeles Times, Nov. 17, 1996 (*Rosenblatt*). Claims 5, 12, 57, 68, 85 and 93-103 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Bahar* in view of U.S. Patent 5,862,223 (*Walker*), and also in view of Official Notice. Cancellation of Claims 2, 3, 60, 83-92, 95-97, 102 and 103 makes the rejections of those claims moot.

Independent Claim 1 is directed to a server on a network. The server is operable to: (1) receive from a first participant via the network a formulation of a problem to

be solved; (2) receive from a plurality of other participants via the network suggested solutions to the problem; and (3) distribute portions of an award to those participants who contribute suggested solutions to the problem. The server is configured to distribute a portion of the award, before it has been determined that the problem has been solved, to at least one participant who contributed a suggested solution to the problem. The server also provides control tools for use by the first participant for controlling distribution of the award to the other participants. The distributions of the portions of the award are varied over the course of development of the suggested solutions, for the purpose of guiding the development of a final solution to the problem.

Among other notable features of Claim 1 are (1) the provision in the server of control tools for use by a first participant for controlling the distribution of an award to other participants, and (2) that the distributions of the portions of the award are varied over the course of development of the suggested solutions for the purpose of guiding the development of a final solution to the problem.

Bahar, as understood by Applicant, relates to a method and system for collectively generating user-created designs of products and property via a communication network. The Office Action points to column 6, lines 25-51, as allegedly disclosing the above mentioned features of Claim 1. Applicant disagrees. *Bahar*, at most, discusses a step of selecting at least one winner to receive a corresponding award incentive (column 6, lines 32 and 33).

The awarding of an incentive to one or more winners has already been acknowledged by the present application as belonging to the state of the art (Specification, introduction section 4). Departing from this acknowledged state of the art, the present

invention sets out to solve the problem of providing a motivation to participants in iterative solution processes wherein a complete or competent solution may only be worked out in several steps, or possibly, with a multiplicity of branchings. This problem is solved by a server having the above-mentioned features. *Bahar* does not teach or suggest these features of Claim 1.

That is, nothing in *Bahar* is seen to teach or suggest control tools for use by a first participant for controlling the distribution of an award to other participants, much less a server in which such distributions of portions of the award are varied over the course of development of the suggested solutions for the purpose of guiding the development of a final solution to the problem. Claim 1 is therefore believed to be clearly allowable over *Bahar*, taken alone.

Rosenblatt relates to a competition for the development of a new aircraft, wherein the two competitors receive an initial amount of funding in order to develop a “demonstrator aircraft” for the ... services. The winner of the competition will be awarded the final contract. *Rosenblatt* discusses distributing an initial fixed amount to the participants, but does not teach or suggest an award distribution portion that is varied.

Accordingly, even if *Rosenblatt* is combined with *Bahar* in the manner proposed in the Office Action, and even assuming such combination would be a proper one, the result would not have all the features recited in Claim 1, and that claim is therefore believed to be clearly allowable over those two documents.

In this regard, Applicant notes that, while rejecting Claims 5, 12, 57, 68, 85 and 93-103 under 35 U.S.C. § 103(a) as being unpatentable over *Bahar* in view of Official Notice, the Office Action does not state for the record what art is being officially noticed and

combined with the teachings of *Bahar* in rejecting these claims. Applicant submits that this omission is improper, and respectfully requests that any art relied on by the Examiner under the rubric of Official Notice be made part of the record in detail so that Applicant (and the public) is in a position to evaluate the soundness of the rejection.

For the foregoing reasons, Claim 1 is believed patentable over the art of record.

Independent Claims 55 and 65 include features similar to those discussed above with respect to Claim 1. Therefore, these claims are also believed to be patentable for at least the same reasons as discussed above.

A review of the other art of record has failed to reveal anything which, in Applicant's opinion, would remedy the deficiencies of the art discussed above, as references against Claim 1.

The other rejected claims in this application depend from one or another of the independent claims discussed above, and therefore, are believed to be patentable for at least the same reasons. Because each dependent claim is also deemed to define an additional aspect of the invention, individual reconsideration of the patentability of each on its own merits is respectfully requested.

In view of the foregoing amendments and remarks, Applicant respectfully requests favorable reconsideration and early passage to issue of the present application.

Applicant's undersigned attorney may be reached in our New York office by telephone at (212) 218-2100 or by facsimile at (212) 218-2200. All correspondence should continue to be directed to our address given below.

Respectfully submitted,

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